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DA 12-213

February 14, 2012

## DOMESTIC SECTION 214 AUTHORIZATION GRANTED

Domestic Section 214 Application Filed for the Transfer of Control of Telecom Argentina USA, Inc.

## WC Docket No. 11-125

On July 15, 2011, Telecom Argentina USA, Inc. (Telecom Argentina USA) filed an application, pursuant to section 63.03 of the Commission's rules, requesting authority for a transfer of control that took place without Commission consent in April 2009.

On September 7, 2011, the Bureau released a public notice accepting the application for streamlined processing.<sup>2</sup> On September 21, 2011, the Department of Justice, including the Federal Bureau of Investigation, with the concurrence of the Department of Homeland Security (collectively, the Executive Branch Agencies), filed a letter requesting that the Commission defer action on this application while they reviewed potential national security, law enforcement, and public safety issues.<sup>3</sup> In response to the request, the Bureau removed the application from streamlined review.<sup>4</sup> On February 13, 2012, the Executive Branch Agencies withdrew their request to defer action, stating that they have no objection to the application.5

<sup>&</sup>lt;sup>1</sup> 47 C.F.R § 63.03; see 47 U.S.C. § 214. Telecom Argentina USA filed a request for special temporary authority (STA) to allow it to continue to provide service to customers while its domestic section 214 application is pending. On August 4, 2011, the Wireline Competition Bureau (Bureau) granted the STA for the domestic authorization for a period of 60 days and subsequently extended the temporary authorization. Letter from Stephen L. Goodman, Counsel for Telecom Argentina USA, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 10-242 and 11-125 (filed July 7, 2011); Letter from Stephen L. Goodman, Counsel for Telecom Argentina USA, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 11-125 (filed Sept. 29, 2011); Letter from Stephen L. Goodman, Counsel for Telecom Argentina USA, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 11-125 (filed Nov. 23, 2011); Letter from Stephen L. Goodman, Counsel for Telecom Argentina USA, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 11-125 (filed Jan. 25, 2012).

<sup>&</sup>lt;sup>2</sup> Domestic Section 214 Application Filed for the Transfer of Control of Telecom Argentina USA, Inc., WC Docket No. 11-125, Public Notice, DA 11-1508 (WCB 2011).

<sup>&</sup>lt;sup>3</sup> Letter from Christopher Hale, U.S. Department of Justice, to Marlene H. Dortch, FCC, WC Docket No. 11-125 (filed Sept. 21, 2011).

<sup>&</sup>lt;sup>4</sup> Notice of Removal of Domestic Section 214 Application From Streamlined Treatment, WC Docket No. 11-125, Public Notice, DA 11-1642 (WCB 2011).

<sup>&</sup>lt;sup>5</sup> Letter from Christopher Hale, U.S. Department of Justice, to Marlene H. Dortch, FCC, WC Docket No. 11-125 (filed Feb. 13, 2012).

The Bureau finds, upon consideration of the record, that grant of the application will serve the public interest, convenience, and necessity. Upon consummation of the transaction, the resulting entity would have a market share in the U.S. interstate interexchange market of less than 10 percent and would provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction. In addition, Telecom Argentina USA is not dominant with respect to any domestic service.<sup>6</sup>

Consistent with Commission precedent, the Bureau accords the appropriate level of deference to the Executive Branch Agencies' expertise on national security and law enforcement issues. Therefore, pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and section 0.291 of the Commission's rules, 47 C.F.R. § 0.291, the Bureau hereby grants the application discussed in this Public Notice. Section 2.291 of the Commission's rules, 47 C.F.R. § 0.291, the Bureau hereby grants the application discussed in this Public Notice.

Pursuant to section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, the grant is effective upon release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Jodie May at (202) 418-0913, Competition Policy Division, Wireline Competition Bureau.

<sup>&</sup>lt;sup>6</sup> 47 C.F.R. 63.03(b)(2)(i).

<sup>&</sup>lt;sup>7</sup> The Commission considers national security, law enforcement, foreign policy, and trade policy concerns when analyzing a transfer of control or assignment application in which foreign ownership is an issue. See Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Satellites Providing Domestic and International Service in the United States, Report and Order, 12 FCC Rcd 24094, 24170-72, paras. 178-82 (1997); Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23919-21, paras. 61-66 (1997) (Foreign Participation Order), Order on Reconsideration, 15 FCC Rcd 18158 (2000). In assessing the public interest, the Commission considers the record and accords the appropriate level of deference to Executive Branch expertise on national security and law enforcement issues. See Foreign Participation Order, 12 FCC Rcd at 23919-21, paras. 61-66.

<sup>&</sup>lt;sup>8</sup> A grant of the application will be without prejudice to any enforcement action by the Commission for non-compliance with the Communications Act of 1934, as amended, or the Commission's rules.